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SUBJECT: NEPAL: NGOS BRIEF DAS SCHER ON GRASSROOTS DEMOCRACY

11. (SBU) Summary. Representatives of democracy and peace-building organizations working in Nepal told visiting Deputy Assistant Secretary of Defense Scher that the Nepali population is increasingly frustrated with the ongoing political stalemate. "Backbench" Constituent Assembly (CA) members are pressuring political leaders to resolve their differences and begin to deal with "bread-and-butter" issues. The Maoists remain the strongest political party and would likely win an election held today, but their support is slipping among allies from Nepal's ethnic communities. Much of rural Terai remains essentially a lawless region, with some signs of increasing non-Nepali Muslim activity. End Summary.

"Cautious Optimism"

12. (SBU) Deputy Assistant Secretary of Defense Robert Scher met September 16 with four Kathmandu-based representatives of organizations working on democracy and peace. Several of the participants were "cautiously optimistic" that the political parties would soon break the current deadlock, at least on Maoist demands to deal with the issue of "civilian supremacy" over the military. One participant suggested that the party leaders feel under increasing pressure from "backbench" CA members, civil society activists, and "even the public" to resolve their disputes. The escalating Maoist violence surrounding protests against the Prime Minister and President also concerns the parties, even the Maoists who fear losing control over their more radical members.

Bread-and-Butter Concerns -- Not Constitution

14. (SBU) During a recent round of public meetings in rural Nepal, one democracy organization representative reported that none of the communities wanted to discuss the peace process or constitution. Instead, communities focused on bread-and-butter issues that affect their daily lives, such as employment, domestic violence, flooding, and even how to increase tourism. The Nepali population is increasingly frustrated with the constant strikes and "selfish politics," the representative reported.

Maoists Fading or Gaining Strength?

15. (SBU) The participants agreed that the Maoists remain better organized than the other parties. They are the only party with a consistent presence in villages and are "much

more in tune" with local concerns than the others, one representative of an organization working in the Terai reported. However, the election-era alliances between the Maoists and the ethnically-based organizations, such as the Tharu groups, have frayed, since the Maoists "did not deliver" anything for their ethnic allies during their tenure in government.

¶6. (SBU) Asked who would win an election held today, the participants generally agreed that the Maoists would likely win the most seats again, but perhaps with a smaller margin. The UML -- despite its internal divisions -- has made some effort to understand why it performed so poorly in the last election and has tried to reform itself. The UML would be particularly competitive against the Maoists in the urban areas, especially if Maoist intimidation could be minimized. The Nepali Congress, on the other hand, has done little to rethink its election strategy, and would likely come in third.

Terrorists in Terai?

¶7. (SBU) Asked about the possibility of terrorists using the Terai as a base of operations, the representative from an organization working in the Terai said he had seen no evidence of terrorist groups, but noted that the conditions are conducive to illegal activities. In many parts of rural Terai there is "virtually no state" -- no police presence and no state services. The borders with India are essentially open, and the black market thrives. Corruption is

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institutionalized at the highest levels in the local and district governments and among border and customs personnel.

¶8. (SBU) One participant observed that the political rhetoric in Nepali mosques has changed markedly in recent years, with an increasing number of non-Nepali mullahs preaching in mosques. While Nepal's Muslim population remains relatively low, approximately 4 percent of the population, the number of madrases is increasing. In very poor Terai villages, it is increasingly common to see well-funded mosques provided by the "people of Saudi Arabia" or some Pakistani charitable organization.

India's Role Critical, Complicated

¶9. (SBU) One participant argued that the Indian role in Nepali politics remains critical. The September 13-15 visit of Indian Foreign Secretary Rao to Kathmandu was a positive sign that India is "taking seriously" the Nepali political crisis. However, Rao reportedly met with each of the factions of the various parties separately, an unhelpful tactic since it could sharpen intra-party divisions, not heal them. India's overriding interest in Nepal, is preventing a terrorist attack emanating from Nepal.

View of Nepali Military

¶10. (SBU) The Nepali public's perception of the army has changed significantly in recent years -- from a monolithic "instrument of the monarchy" to an organization with diverse viewpoints, one participant reported. His organization is putting on a workshop to discuss with political parties how "civilian control" of the military -- a key Maoist demand -- would work in practice. The current Ministry of Defense has only 38 employees and little concept of how to exercise appropriate authority over the large and better organized Nepal Army.

¶11. (SBU) Comment: The increasing grassroots pressure on party leaders to resolve their differences is an encouraging and new development, although we fear that the politicians will -- instead of actually resolving the issues -- simply discuss another procedure to discuss the problems. We agree that the Maoists remain the best organized party by far, but

see some hints of slippage in their support, especially in
urban areas. End Comment.
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